

BEFORE THE SECURITIES COMMISSIONER

STATE OF COLORADO

Order No. 14-L-09

STIPULATION FOR CONSENT ORDER

IN THE MATTER OF J. P. Morgan Securities, LLC

Respondent.

The staff of the Division of Securities ("Division") and the Respondent, J. P. Morgan Securities, LLC ("JPMS"), hereby enter into this Stipulation for Consent Order in this matter as follows:

RECITALS

WHEREAS, JPMS is a broker-dealer licensed in the State of Colorado, with a Central Registration Depository ("CRD") number of 79; and

State securities regulators from multiple jurisdictions have conducted an investigation into the licensing of JPMS sales assistants ("SAs") and JPMS's supervisory system with respect to the licensing of SAs; and

JPMS has cooperated with regulators by responding to inquiries, providing documentary evidence and other materials, and providing regulators with access to facts relating to the investigations; and

JPMS has advised regulators of its agreement to resolve the multi-state investigation pursuant to the terms specified in this Consent Order (the "Order"); and

JPMS agrees to make, and has already made, certain remedial changes to its registration policies, supervisory procedures, and order entry systems, and agrees to make certain payments in accordance with the terms of this Order; and

JPMS agrees that the scope of the multi-state investigation is from January 1, 2004 through December 31, 2011; and

Solely for the purpose of terminating the multi-state investigations, including the investigation by the staff of the Division ("Staff"), and in settlement of the issues contained in this Order, JPMS, without admitting or denying the findings of fact or conclusions of law contained in this Order, consents to the entry of the Consent Order.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:

1. JPMS admits the jurisdiction of the Division and the Securities Commissioner, neither admits nor denies the Findings of Fact and Conclusions of Law contained in the Consent Order, and consents to entry of the Consent Order by the Securities Commissioner as settlement of the issues contained in the Consent Order.
2. By entering into this Stipulation, JPMS has waived the right to a formal hearing pursuant to §11-51-606(1), C.R.S and §§24-4-104 and 105, C.R.S.; the right to be represented by counsel chosen and retained by it; the right to present a defense through oral or documentary evidence and to cross-examine witnesses at such hearing; and the right to seek judicial review of the terms, agreements and conditions in this Stipulation or the Consent Order as provided in §§11-51-607, C.R.S., and 24-4-106, C.R.S.
3. JPMS agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal or local tax for any administrative monetary penalty that JPMS shall pay pursuant to the Consent Order.
4. JPMS states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.
5. Jeffrey M Lipman represents that ~~she~~ is a Senior Vice President of JPMS and that, as such, has been authorized by JPMS to enter into this Order for and on behalf of JPMS.

Dated this 22 day of October, 2014.

J. P. Morgan Securities, LLC

By: [Signature]

Name: Jeffrey M Lipman

Title: Senior Vice President

State of NY)
) ss.
County of NY)

SUBSCRIBED AND SWORN TO before me this 22 day of October 2014.

[Signature]
Notary Public

My commission expires:
April 11, 2017

DEBORAH BADAGLIACCA
Notary Public, State of New York
Qualified in New York County
No. 01BA6125173
My Commission Expires April 11, 2017

Dated this 31st day of October, 2014

Colorado Division of Securities

By: 

David B. Swafford

Chief Examiner